

ALPHA FAMILY COUNSELING
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INTRODUCTION

Alpha Family Counseling (AFC) entered into contract #COUN-06-99214 with the Michigan Department of Human Services (DHS). Under the counseling contract, AFC was to provide individual and family counseling services to the referred client and/or family, or other persons significant to the client for services identified in the referral. AFC provides services at the contractor's facility. This contract covers the period April 1, 2006 through March 31, 2007 and has an open-ended contract amount. AFC was reimbursed for units of service provided through submission of monthly billings to DHS.

SCOPE

The Office of Internal Audit performed an audit of AFC for the period April 1, 2006 through March 31, 2007. The purpose of our audit was to determine if their billings were accurate; the units billed were allowable per the terms of the contract; and were properly supported by the accounting records and other supporting documentation. We also reviewed case files and other service documentation to determine if AFC had all the necessary information on file to document that they provided the required services to eligible clients.

EXECUTIVE SUMMARY

Based on our audit, we concluded that AFC has areas of noncompliance with the contract. There was a missing Monthly Progress Report and Verification of Services forms were not prepared in all cases. AFC has an adequate system of internal controls to verify that clients were served and the units were properly accounted for.

Our report recommends that the Field Operations Administration (FOA) instruct AFC to maintain all forms necessary to document the total number of units of service as required by the contract.

AGENCY RESPONSE

The management of Alpha Family Counseling has reviewed the findings and recommendations included in this report. They responded in a letter dated September 11, 2007 that they disagree with the findings in this report. The management of Alpha Family Counseling stated they are only required to provide Quarterly Client Progress Reports, and that the Verification of Services Form is not required by the contract. They also stated that they have session notes and other documents that support billings, and that they are in full compliance with the contract.

FINDINGS AND RECOMMENDATIONS

Monthly Client Progress Report

1. One case did not have a Monthly Client Progress Report on file. The Monthly Client Progress Report is part of the process in preparing the Monthly Statement of Expenditures and is required, per terms of the contract, to be submitted to the DHS worker within 30 days following the reporting period. In 1 out of 21 (5%) cases tested, the monthly reports were not completed and submitted timely.

WE RECOMMEND that FOA instruct AFC to submit monthly progress reports to DHS on a monthly basis as required by the contract.

Verification of Services Forms

2. Eleven of the 21 (52.4%) cases reviewed had missing Verification of Services forms for one or more of the months units were billed. The client signs this form to attest that services were provided on a specific date and time. The “Fiscal Requirements” section of the contract states the contractor shall maintain a record system that

documents the total number of units of services as defined in this Agreement and delivered during the term of this agreement. These records shall also document the specific units billed to DHS under this agreement. The contractor is required to submit "Statement of Expenditures", DHS-3469, that accurately represents the units of service delivered.

WE RECOMMEND that FOA instruct AFC to use the Verification of Services form to document that clients received services and the billings are properly supported.